

Workplan for Fiscal Year 2002

Last Revised February 6, 2002

I. Program Title WATER ACQUISITION PROGRAM (WAP) CVPIA Sections 3406(b)(3), (d)(2) and (g)

II. Responsible Entities.

	Agency	Staff Name	Role
Lead	BOR	Dan Meier	WATER ACQUISITION PROGRAM MANAGER (Acting)
Co-Lead	USFWS	DICK JEWELL	WATER ACQUISITION COORDINATOR
	USFWS	DALE GARRISON	REFUGE WATER SUPPLY COORDINATOR

III. Program Objectives for FY 2002.

The major Water Acquisition Program (WAP) objectives are:

A. To provide supplemental water supplies, known as incremental Level 4, for critical wetland habitat supporting resident and migratory waterfowl, threatened and endangered species, and wetland dependent aquatic biota [CVPIA Sections 3406(b)(3) and (d)(2)].

B. To acquire water to improve spawning and rearing habitat and increase migration flows for fall-, winter- and spring-run Chinook Salmon, and steelhead in support of the Anadromous Fish Restoration Plan [CVPIA Section 3406(b)(3)] and in coordination with the CALFED Environmental Water Program and Environmental Water Account.

C. To acquire and manage instream flows in support of the Vernalis Adaptive Management Plan (VAMP) and the San Joaquin River Agreement (SJRA) [CVPIA Sections 3406 (g) and 3406(b)(3)].

IV. Status of the Program.

In FY 2001, the Water Acquisition Program (WAP) continued efforts to:

- A. Provide supplemental refuge water supplies (incremental Level 4) through annual purchases.
- B. Provide additional instream flows in support of VAMP and SJRA.
- C. Provide flows for out-migration, migration, holding, spawning, and rearing habitat for anadromous fish in Central Valley tributaries.
- D. Develop a long-term plan for water acquisitions.

Outstanding issues and work products include:

A. Identification by the USFWS of water acquisition priorities for anadromous fish pursuant to Section 3406(b)(3) of the CVPIA.

B. Financial considerations which limit the acquisition of mandated level 4 supplies.

These include:

- The increasing price of water.
- Inadequate funding. The lack of sufficient funding is aggravated by the partial reliance on FY02 funding to complete purchases of water for contract year 2001. This situation precludes the WAP from providing guarantees early in the year of supplemental refuge water supplies thereby impairing optimal refuge planning and operations.

C. Development and implementation of a plan for the long-term acquisition of incremental Level 4 refuge water supplies.

D. Purchase of water rights to increase instream flows in Butte Creek.

E. Coordination with CALFED to potentially assist in the funding of SJRA flows.

V. FY 2001 Accomplishments

A summary of water purchased and executed agreements for FY01 is as follows:

DATE	SELLER	QUANTITY (acre-feet)	COST	UNIT COST per AF	PURPOSE
Apr-May	San Joaquin River Group Authority	up to 110,000	\$4,136,000	N/A	VAMP 31-day pulse flow at Vernalis in April - May
Apr	Oakdale I.D.	15,000	\$900,000	\$60	Stanislaus River habitat flows and lower San Joaquin River flows and water quality or for any authorized New Melones purposes (per SJRA)
Aug		3,635	\$218,000	\$60	
Oct-Dec	Merced I.D.	12,500	\$766,500	\$61.32	Fall attraction flows and habitat improvement in Merced and lower San Joaquin Rivers (per SJRA).
Oct-Feb	PG&E	N/A	\$512,214	varies	Provide additional flows in Battle Creek through bypassed power diversions.
Oct-Dec	Merced I.D.	24,748	\$1,484,880	\$60	Contract yr 2000 Level 4 and supplement fall attraction flows
Oct-Dec	Department of Water Resources	N/A	\$399,121	N/A	Pumping and Wheeling Costs for Merced I.D. Water (24,748)
Oct-Dec	San Luis Canal Company	12,999	\$557,898¹	\$125	Contract yr 2000 Level 4 Refuge Water

¹This is the amount obligated in FY01. The total payment was \$1,624,875

Jan-Feb	West Stanislaus I.D.	3,000 2,000	\$ 315,000 \$ 150,000	\$105 \$ 75	Contract yr 2000 Level 4 Refuge Water
July-Sept	San Joaquin River Exchange Contractors	33,149	\$4,475,060	\$135	Contract yr 2001 Level 4 Refuge Water
Aug-Sept	San Luis Canal Company	3,000	\$450,000	\$150	Contract yr 2001 Level 4 Refuge Water Supplies
July-Sept	1 E.A. AND 1 APPRAISAL		\$18,000		Butte Creek Water Right Appraisal
		Total	\$14,382,673		

VI. FY 2002 Tasks, Costs, Schedules and Deliverables

Tasks listed in priority with payment schedules by quarter.

Narrative Explanation of Tasks

1. Program Management for personnel and administrative costs. This is based on 5.5 positions for Reclamation and 1.5 positions for USFWS.

Estimated Cost = \$951,856

2. Level 4 Refuge Water for Contract Year 2001 (1st Quarter)

- .1 Acquisition of 15,851 acre-feet of water from Exchange Contractor Water User Authority for Level 4 refuge water supplies.

(10/01-12/01)

Cost = \$2,139,940

- .2 Acquisition of 7,905 acre-feet of groundwater/tailwater from San Luis Canal Company for Level 4 refuge water supplies.

Cost = \$1,185,750

- .3 Acquisition of 3,100 acre-feet of water from south of Delta contractor for Level 4 refuge water supplies

Cost = \$387,500

Sub-Total = \$3,713,190

Although Items 2.1, 2.2 and 2.3 are for contract year 2001 water, this water is being purchased with FY02 funds. The practice of using current fiscal year funds to complete the purchase of the preceding contract year's water supply prevents Reclamation from providing the desired level of certainty in the refuge water supply planning process which begins early in the calendar year (January/February).

3. Merced I.D. SJRA Fall Flows (1st Quarter).

This payment is for approximately 12,500 AF of fall flows in the Merced River. The total purchase price is estimated at \$783,000. Of this total, \$581,900 will be purchased with FY01 funds and the remainder of \$201,100 will be purchased in FY02.

Estimated Cost = \$201,100

4. Butte Creek Water Rights Acquisition (2nd Quarter)

This planned acquisition from Resource Renewal Institute (RRI) is for 5 cfs of instream flow on Butte Creek. The purchase price is subject to negotiation. The FY02 budget includes up to \$760,000 for this purchase.

Budgeted Funds = \$760,000

5. VAMP Spring Flows (2nd Quarter).

San Joaquin River Group Authority delivers up to 110,000 AF consistent with the Vernalis Adaptive Management Plan. Although the Federal share is \$2,932,624, the initial payment obligation is \$4,276,624. (The State Cost Share of \$1,334,000 has been received. Of this amount, \$120,000 is available for VAMP environmental monitoring and \$989,000 is available for Level 4 Acquisitions, and the remainder has gone to FWS for other purposes)

Estimated Total Cost = \$4,276,624

State Cost Share = \$1,344,000

Federal Share = \$2,932,624

6. San Joaquin River Agreement/Oakdale I.D. Flows (2nd Quarter)

Oakdale Irrigation District (O.I.D.) delivers flows up 15,000 AF at \$60 per AF under the terms of the SJRA. This water may be used for any authorized purposes on the Stanislaus and San Joaquin Rivers.

Estimated Costs = \$900,000

Priorities 5 and 6 represent commitments pursuant to the San Joaquin River Agreement

(SJRA) which is being implemented as part of the State Water Resources Control Board's Decision 1641.

7. Long-Term Strategy for Level 4 Acquisitions (3rd Quarter).

These funds will be used in developing a long-term strategy for Level 4 acquisitions and conducting required technical studies. This effort is critical in providing predictable and

reliable Level 4 water supplies that meet the requirements of the Central Valley Project Improvement Act. Additional funds will be required in FY03 to continue this effort.

Estimated Cost = \$500,000

8. VAMP Double-Step Flows (3rd Quarter)

Funds for this purpose are needed only if 1) the current water year is classified as a double-step year based on the criteria given in the Vernalis Adaptive Management Plan, and 2) if meeting the VAMP flow objective requires more than 110,000 acre feet of supplemental water. There is \$2,000,000 in the FY02 budget for this potential need. If these flows are not required, all or part of these funds may become available for unmet Level 4 refuge water supply needs.

Budgeted Funds = \$2,000,000

9. VAMP Environmental Monitoring (2nd Quarter).

This represents estimated VAMP monitoring costs.

Estimated Cost = \$120,000

Additional Funding Needs

Due to the funding problems as noted earlier, all the following program commitments for the rest of the fiscal year are completely or partially unfunded.

10. Level 4 Refuge Water Supplies (2nd and 3rd Quarter)

The need for incremental Level 4 refuge water supplies for contract year 2002 (February through March) is 96,184 AF based on existing needs, conveyance capability, and ability to beneficially use supplemental water on the refuges. At an estimated cost of \$150 per AF, approximately 32,822 AF could be purchased from remaining available funds of \$4,923,330 in the FY02 budget. There is an unmet need of 63,362 AF of Level 4 water supplies with an estimated cost of \$9,504,270 assuming purchases at \$150 per AF. Additional purchases of Level 4 for the contract year 2002 (March through February) could come from three sources: 1) reallocated State Cost Share for VAMP flows (Item 5), reallocated double-step funds (Item 8), and funds from the FY03 budget.

Estimated Cost = \$14,427,600
Available Funds = \$4,923,330
Unfunded Need = \$9,504,270

The provision of incremental Level 4 refuge water supplies is a mandate of CVPIA.

11. San Joaquin River Agreement – Additional Flows from Oakdale I.D.

Oakdale Irrigation District can deliver flows of up to 11,000 AF at \$60 per AF under the terms of the SJRA. This water represents the unused portion of Oakdale's 11,000 AF commitment of up to 110,000 AF spring pulse flow provided under VAMP.

Estimated Cost = \$660,000

12. Potential Instream Flows Acquisitions

In order to meet CVPIA and Anadromous Fish Restoration Program (AFRP) goals and objectives there is a need to increase stream flows through purchases of existing water rights. These purchases would be under the authority of CVPIA 3406 b(3).

Potential acquisitions include:

.1 Middle Butte Creek: approximately 20 cfs

.2 Lower Butte Creek: approximately 20 cfs

Estimated Cost (preliminary) = \$5,000,000

13. Water Right Appraisals

There is an anticipated need for water right appraisals in order to complete future water acquisitions.

Estimated Cost = \$50,000

Total of Actions for FY02 Funding: \$33,560,270
Total Budget Funded for FY02: \$18,341,000*
Total Additional Funding Needed: \$15,219,270

*This includes funds received from the VAMP State Cost share of \$1,334,000. Of this total, \$120,000 is available for VAMP Environmental monitoring and \$989,000 is available for Level 4 acquisitions.

a. Tasks, Schedule and Deliverables.

#	Task	Dates		Deliverable
		Start	Complete	
2.1	Level 4 Refuge Water Contract Year 2001	October 1, 2001	December 31, 2001	Contract/Agreement for 15,851 AF
2.2	Level 4 Refuge Water Contract Year 2001	October 1, 2001	December 31, 2001	Contract/Agreement for 7,905 AF
2.3	Level 4 Refuge Water Contract Year 2001	October 1, 2001	February 28, 2002	Contract/Agreement for 3,100 AF
3	Merced I.D. SJRA Fall Flows	October 1, 2001	October 31, 2001	Contract/Agreement for 12,500 AF
4	Butte Creek Water Right	October 1, 2001	March 31, 2002	Contract/Agreement for 5 cfs insteam flow water right (permanent acquisition)
5	VAMP Spring Pulse Flows	April 2002	May 2002	Contract/Agreement for up to 110,000 AF
6	Oakdale I. D. SJRA additional water supply	April 2002	September 30, 2002	Contract/Agreement for 15,000 AF (typically fall fish flows). Water supply provided at New Melones Reservoir to be used for habitat improvement in Stanislaus and lower San Joaquin rivers.
7	Level 4 Long-Term Strategy	January 1, 2002	September 30,2002	Contract(s) for report and/or technical studies
8	VAMP Double-Step Flows	April 2002	May 2002	Contract/Agreement for up to 47,000 AF
9	VAMP Environmental Monitoring	January 1, 2002	March 31, 2002	N/A

b. Tasks, Schedule and Deliverables - Additional Funding Needs.

Dates				
#	Task	Start	Complete	Deliverable
10	Level 4 Refuge Water Contract Year 2002	March 1, 2001	September 30, 2002	Contract/Agreements for up to 96,184 AF (partially funded)
11	Oakdale I. D. remainder water from VAMP 2002 (per SJRA)	August 2002	September 30, 2002	Contract/Agreement for up to 11.000 AF (remainder, after spring VAMP flows, of Oakdale commitment); est. \$60 per AF
12	Insteam Flow Acquisitions	January 1, 2002	September 30, 2002	Contracts/Agreements for up to 40 cfs insteam flows
13	Water Right Appraisals	January 1, 2002	September 30, 2002	Water Right Appraisals

Explanatory Notes:

Tasks 8 and 11 are mutually exclusive program elements of SJRA/VAMP. If double-step flows (Task 8) are required, then Oakdale I.D. remainder water (Task 11) is zero. Double-Step are years as defined in the San Joaquin River Agreement as a function of the current and previous water year's hydrologic classification.

Task 10 is partially funded. Tasks 11, 12 and 13 are not currently funded.

II. Summary of Program Costs and Funding Sources

#	Task	Total Cost	Funding Sources		
			CVPIA	W&RR	Prop 204
1	Program Management	\$951,856	\$951,856		
2.1	Level 4 Refuge Water Contract Year 2001	\$2,139,940	\$2,139,940		
2.2	Level 4 Refuge Water Contract Year 2001	\$1,185,750	\$1,185,750		
2.3	Level 4 Refuge Water Contract Year 2001	\$387,500	\$387,500		
3	Merced I.D. SJRA Fall Flows	\$201,000	\$201,000		
4	Butte Creek Water Rights Acquisition	\$760,000	\$760,000		
5	VAMP Spring Pulse Flows	\$4,276,624	\$4,276,624		\$1,334,000 (\$1,109,000 reallocated to Tasks 9 and 10)
6	Oakdale I. D. SJRA Flows	\$900,000	\$900,000		
7	Long-Term Strategy for Level 4	\$500,000	\$500,000		
8	VAMP Double -Step	\$2,000,000	\$2,000,000		
9	VAMP Environmental Monitoring	\$120,000			(\$120,000)
10	Level 4 Refuge Water Contract Year 2002	\$14,427,600	\$3,934,330		(989,000)
11	Additional Oakdale I.D. SJRA Flows	\$660,000			
12	Instream Flow Acquisitions	\$5,000,000			
13	Water Right Appraisal	\$50,000			
Total Program Budget		\$33,560,270	\$17,237,000		\$1,334,000 (\$1,109,000 available to WAP)

V. Annual WAP Program Budget

#	Task		FTE	Direct Salary and Benefits Costs	Contracts Costs	Miscellane ous Costs	Administra tive Costs	Total Costs
1	Program Management			\$ 700,000	\$ 0	\$ 0	\$ 251,856	\$ 951,856
	Breakdown							
2.1,2.2,2.3,4,6, 7,9, & 10	Water Acquisition	FWS	1.5	\$ 150,000	0	0	\$ 35,000	\$ 185,000
		BOR	5.0	\$ 500,000	\$ 10,008,520	\$ 0	\$ 186,856	\$ 10,695,376
5 & 8	VAMP Double-Step	BOR	0.5	\$ 50,000	\$ 4,276,624	\$ 0	\$ 30,000	\$ 4,356,624
		BOR			\$ 2,000,000			\$ 2,000,000
	Total by Category		7.0	\$ 700,000	\$ 16,285,144	\$ 0	\$ 251,856	\$ 17,237,000

First Quarter Expenditures - WAP Program Budget

#	Task	Direct Salary and Benefits Costs	Contracts Costs	Miscellaneous Costs	Administrative Costs	Total Costs
1	Program Management	\$ 175,000			\$ 62,964	\$ 237,964
	Breakdown					
2.1,2.2,2.3 & 3	Water Acquisition		\$ 3,914,290			\$ 3,914,290
	VAMP		\$ 0			\$ 0
	Total by Category	\$ 175,000	\$ 3,914,290		\$ 62,964	\$ 4,152,254

Second Quarter Expenditures - WAP Program Budget

#	Task	Direct Salary and Benefits Costs	Contracts Costs	Miscellaneous Costs	Administrative Costs	Total Costs
1	Program Management	\$ 175,000			\$ 62,964	\$ 237,964
	Breakdown					
4,6 & 10	Water Acquisition		\$ 4,660,000 ¹			\$ 4,660,000
5	VAMP		\$ 4,276,624			\$ 4,276,624
	Total by Category	\$ 175,000	\$ 8,936,624		\$ 62,964	\$ 9,174,588

¹ Item 10 under Water Acquisition consists of the purchase of 20,000 AF of Level 4 water at \$150 per AF.

Third Quarter Expenditures - WAP Program Budget

#	Task	Direct Salary and Benefits Costs	Contracts Costs	Miscellaneous Costs	Administrative Costs	Total Costs
1	Program Management	\$ 175,000			\$ 62,964	\$ 237,964
	Breakdown					
7,9 & 10	Water Acquisition		\$ 1,434,230 ¹			\$ 1,434,230
8	VAMP		\$ 2,000,000			\$ 2,000,000
	Total by Category	\$ 175,000	\$ 3,434,230		\$ 62,964	\$ 3,672,194

¹ Item 10 under Water Acquisition consists of the purchase of 6,800 AF of Level 4 water at \$125 per AF.

Fourth Quarter Expenditures - WAP Program Budget

#	Task	Direct Salary and Benefits Costs	Contracts Costs	Miscellaneous Costs	Administrative Costs	Total Costs
1	Program Management	\$ 175,000			\$ 62,964	\$ 237,964
	Breakdown					
	Water Acquisition					
	VAMP					
	Total by Category	\$ 175,000	\$	\$	\$ 62,964	\$ 237,964

VI. Future Years Commitments/Actions.

1. The Vernalis Adaptive Management Program (VAMP) is a 12 year annual commitment (through 2010) to purchase up to 157,000 AF at an annual expenditure of up to \$10,144,624.
2. Refuge Level 4 annual water supply needs will increase incrementally in the future from the current 96,184 AF up to approximately 150,000 AF in 2010 as refuge conveyance systems are constructed or upgraded to allow full CVPIA mandated Level 4 water supply requirements to be beneficially used on the refuges. Also, the price of water is expected to increase incrementally consistent with historic trends.
3. There will be an increasing need to acquire water rights, or enter into long-term leases, to increase instream flows to benefit fish and wildlife consistent with the goals and objectives of CVPIA and the Anadromous Fisheries Restoration Program. This effort will be coordinated with the CALFED Environmental Water Program, which has similar program objectives.